7.0 Growth Inducement

7.1 Introduction

The California Environmental Quality Act (CEQA) Guidelines Section 15126 (g) states that an EIR must discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment, using a reasonable worst case analysis. It specifically states that projects which would remove obstacles to population growth (such as bringing supplemental water supplies to an area), may "further tax" other existing community service facilities, and this impact must be addressed. The secondary impacts of growth inducement include reducing the service capacities of roads, sewer, schools and other necessary public services which are needed to accommodate additional development. Removing what was previously a constraint to development, by supplying supplemental water, could also affect the expected rate of growth in a community, unless adopted growth management policies exist to regulate the amount of development.

The analysis in this EIR recognizes the following facts:

1. Water is presently a constraining factor to growth in the communities of Templeton, Santa Margarita (Santa Margarita Ranch), City of San Luis Obispo (SLO), SLO Airport Areas (CSA 22, and Fiero Lane Water Company), Edna Valley (Edna Valley Mutual Water Company), and Cayucos.
2. Water may not be the only constraining factor to growth in these or other communities.
3. For some purveyors in SLO County, present water supplies could be reduced in the future due to factors outside their control.
4. The extent to which a community can grow depends, at least in part, upon existing and future water demand and supplies, based on projected population growth that may or may not be regulated by local jurisdictions.
5. Certain communities or jurisdictions have implemented growth management ordinances, traffic fees, public facilities fees, and/or school fees to help alleviate such overtaxing of resources.
6. Any additional water sources [other than the Nacimiento Water Project (NWP)] a community considers or approves could also be growth-inducing.
7. Analysis of growth-inducing impacts is complex, and there is disagreement among experts regarding what is or is not growth-inducing.

The analysis in the EIR makes the following assumptions:

1. The NWP, by supplying supplemental water, would remove an obstacle to growth, and lead to increased growth in SLO County communities and cities;
2. Growth in any area cannot be assumed to be beneficial, detrimental, or of little significance to the environment [CEQA Guidelines Sec. 15126.2(d)].

3. Growth inducement is an indirect project impact, which has secondary effects that could be significant;
4. It is recognized that roads, schools, air quality, water, sewer systems, and other resources in SLO County have become overtaxed. These resources could be impacted by growth resulting from the proposed project and would be considered secondary impacts.

Water supply and demand are not static entities, nor is the population in a particular community. In order to predict the extent to which a project will be growth-inducing in the future, water supply and demand must be examined. This EIR presents such an analysis, based on tables that present estimates of water demand and supply at build-out. "Build-out," is defined as development on all available vacant land within an urban planning boundary. The time frame in which build-out could occur can vary based on the rate of growth. The analysis is also based on information available from General Plans (Area Plans) and associated EIRs related to build-out, using the SLO County Resources Management System Annual Summary Reports, SLO County Master Water plan and various studies.

The data sources for the community population estimates and water supply and demand include existing Area Plans prepared by the SLO County Department of Planning & Building, County Public Works Department, and information provided by local water purveyors. By necessity, the water supply and demand tables contain many assumptions and have certain limitations. The study can be used with the following qualifications.

- The analysis relies on population and water demand calculations projected twenty years ahead. Population growth will continue to occur after "build-out".
- Estimated groundwater quantities are to be considered as an order of magnitude, meaning that they are rough approximations.
- Groundwater supply estimates for each community cannot be considered as "safe yield" supplies. Investigations requiring review of historic pumpage and evaluation of the groundwater basin's characteristics are required before reasonable and accurate assessments can be made of each community's share of a basin's safe yield.

The CEQA Guidelines indicate that it is reasonable to conclude that if, as a result of a project, water is removed as a constraint to growth in a community, the project can be considered growth-inducing. Also, recognizing that communities sometimes tend to grow even when resources are highly constrained and that growth is a function of each jurisdiction's General Plan, this EIR maintains that if a project results in a community having a surplus of water at build-out, that surplus water could be growth-inducing with secondary significant impacts, as surplus water generally allows for accelerated growth under a community's General Plan. The rate and perhaps the significance of such growth will depend on the existing situation in the community and local decisions regarding the use of water. However, many communities need to plan for growth beyond the projected date of build-out to ensure that adequate water supplies exist for the future.

The tables presented in Section 7.1 and the service-area discussions in Section 7.2 represent the best estimate of the consequences of providing supplemental water from the NWP to individual communities.

7.1.1 Background

The Growth Inducement analysis contained in the State Water Project (SWP) Coastal Branch (Phase II) local Distribution Lines and Facilities EIR (SLO EIR) used population and water demand estimates generally tied to the year 2010. SLO County Public Works Department provided water supply and demand data that attempted to quantify the water resources necessary to meet anticipated population growth by the year 2010. The focus of the discussion in the SLO EIR was on the impact of State Water supplies on population growth, particularly as it relates to existing and projected groundwater use to satisfy urban water demand.

In the SLO EIR, SLO County Public Works Department staff commented that it is the responsibility of the various water purveyors to provide the water which is needed to accommodate the adopted growth plan of the service area. It was also acknowledged that other supplemental water supply options (such as NWP) could be as growth accommodating or growth-inducing as SWP water. However, if project supplies are not developed, anticipated population growth may very well be accommodated by increased reliance on groundwater. In addition, some water purveyors in SLO County face the potential that present water supplies could be reduced as a result of natural or legal limitations in the future (SLO EIR).

The finding of the SLO EIR was that importation of water to the communities where growth has been constrained by the lack of sufficient water resources would result in an increased rate of growth. Supplemental water from any source that provides for growth under the General Plan can be considered growth-inducing. Depending on local decisions regarding how water sources are used, there is the possibility of exceeding population targets. This was considered a significant unavoidable impact of the importation of State Water.

The County Board of Supervisors adopted the following mitigation which was contained in the certified final SLO EIR (ED 90-749):

> *"5.6b The governing body of each water purveyor accepting SWP water shall adopt a water management plan or program, the goal of which shall be to demonstrate that its project water shall be used first to offset its proportionate share of groundwater basin overdraft, if any, and to improve water quality for its consumers, if appropriate, and to provide an appropriate reserve available for a period of reduced water supply before being made available for other purposes. Such commitment may be manifested by the adoption of an ordinance or by the adoption of a resolution or by the adoption of a water management plan or program which brings its proportionate share of groundwater supply and demand into balance."*

Under mitigation measure 5.6b of the SLO EIR, each purveyor was required to develop an ordinance, resolution, or water management plan or program which would (1) require SWP to be used first to offset its prorated share of a groundwater basin's overdraft, and (2) balance its proportionate share of groundwater supply and demand. Due to the uncertainty regarding how this mitigation measure would have been implemented by local water purveyors, growth-inducing impacts of SWP were determined to remain significant. This mitigation measure was very controversial during the public hearing process and was not included in the purveyor agreements.

7.1.2 Recent Legislation

Under new legislation which took effect in January 2002, most large development projects in California are required to comply with a new set of rules intended to assure that the adequacy of the water supply to serve the project has been addressed before the project wins approval. These new laws require an increased effort to identify and assess the reliability of the anticipated water supplies, and envision an increased level of communication between municipal planning authorities and local water suppliers. The new laws also require additional documentation and set specific criteria in order to demonstrate the adequacy of the water supply. The new "water management" legislation includes Senate Bill 221 (SB-221, Kuehl) and Senate Bill 610 (SB-610, Costa).

SB-610 builds on Senator Costa's 1995 water supply legislation (then known as "SB-901") and recites a legislative intent to "strengthen the process" to assure that water supply issues are thoroughly considered as part of the environmental review process. Whereas SB-901 currently requires detailed water supply assessments only as to a narrow spectrum of major planning activities (such as general plan amendments or specific plans which require a full EIR and which result in increased density), new SB-610 applies these water assessment requirements to a much-expanded range of land use planning and development actions. Under SB-610, if a city or county determines that any project (as broadly defined under the Water Code) is subject to the CEQA it must comply with the water supply assessment procedure as detailed in Part 2.10 of the Water Code. This applies to residential projects of more than 500 units, and to specified commercial and industrial projects, or any project which would demand as much water as a 500 unit residential development. Thus any non-exempt project that requires any form of CEQA review must include a water supply assessment – containing specified information – from the local public water supply system(s) likely to provide water in the project area. Projects which were previously covered by a water supply assessment containing the detailed information described in the legislation may be exempt from further assessments. However, that exemption is not available if significant changes in the water demands of the project or the water supplies available to serve the project have occurred, or if new information regarding water availability has arisen.

For the broad range of projects which will now be subject to this regime, the statutory "water supply assessment" must be requested by the city or county considering the project from the local water provider at the time the city determines whether an EIR, a negative declaration or a mitigated negative declaration is required for the project under CEQA. The water agency must then provide the assessment within 90 days (but may request a time extension under certain circumstances). The water supply assessment must include specific information as detailed in the legislation, including an identification of existing water supply entitlements and contracts. If groundwater is anticipated as a source of water, the assessment must contain additional information. The governing board of the water agency must approve the assessment at a public meeting.

SB-221 addresses the project approval process. SB-221 creates a new requirement that cities and counties must impose a new condition of tentative subdivision map approval, requiring that a subdivider demonstrate that a sufficient water supply will be available to serve the subdivision before the final subdivision map can be approved. SB-221 initially targeted projects of 200 units or more, but was amended so that it will generally apply only to large subdivisions of 500 units

or more, subject to two exemptions. Under SB-221, such large subdivisions will be required to produce proof of water availability in the form of a "written verification" from the applicable public water supplier.

Most of the revised general plans incorporated policies that require compliance with this recent legislation.

7.1.3 Methodology and Assumptions for Growth Inducement Analysis by Service Area

Tables 7.1, 7.2 and 7.3 present estimates of water amounts which would be necessary to meet forecasted demand at the time of build-out under adopted Area Plans. Each community scheduled to receive NWP is listed in column 1 with the estimated amount of water supplies available to the water purveyor in columns 2 through 4. Each purveyor participating in the NWP is listed separately, however in several instances the service boundaries overlap. For example, CSA 22 (Airport Area) also contains Fiero Lane. Each request for NWP is treated separately because they are assumed to be distinct requests to supply distinct service areas.

The allocations for each purveyor represent their initial requests and could change based on their individual needs at the time project participation agreements are negotiated. However, the total NWP allocation would not increase and project-wide growth-related impacts would not be appreciably different.

Water supply projects (i.e. water reclamation, surface water storage, etc.) were incorporated only if significant progress had been made on implementation of the project (i.e. funding availability, design, CEQA review). Water supplies contained in column 3 are based on an estimated share of supplies from a variety of water sources (i.e. reclaimed water). Groundwater supplies by planning area and community include underflows to the Salinas River as shown in column 4. Column 5 states the purveyor's NWP request. The sum total of projected water supplies available to the community's water purveyor is shown in column 6. Columns 7 and 8 display estimated population and its associated water demand at a projected year or at the time of build-out. Column 9 includes totals for water supplies (columns 2, 3, 4, 5) and subtracts the projected water demand (column 8) from total projected supplies (column 6). A number in parenthesis (deficit) in column 9 indicates the estimated amount of additional water sources needed by each community before population targets could be met, and indicates that additional water supplies may be needed. Column 9 shows the water supply available to a community assuming NWP water is received. A surplus amount of water could be used by a community to satisfy future growth demands.

As can be seen from column 9 even with the NWP water, some areas would have water demands in excess of supplies (e.g., Atascadero, Paso Robles). In order to satisfy forecasted water demand, these entities would either increase groundwater pumpage or would need to develop other supplemental water supplies. In communities where total water supplies (including NWP, local water sources, and estimated groundwater supplies) exceed forecasted water demands, this EIR concludes that the growth-inducing impacts of accepting supplemental water amounts from the NWP could be considered significant. Because it is not known with certainty that proposed mitigation measures would be adopted by all the respective governing bodies, these impacts are considered to be unavoidable.

Table 7.1 Estimated Urban Water Supply vs. Demand by NWP Purveyor in the Salinas River Planning Area

Water Supplies (afy)						Water Demand (afy)		
1	2	3	4	5	6	7	8	9
NWP Purveyor by Community	Surface Water	Other[a]	Ground-water [b]	NWP Allocation	Total Projected Supplies	Population Projections [c]	Water Demand [c]	Surplus Water (or Deficit) [e]
San Miguel CSD	0	0	265 [c]	0 610	265 875	1,307 (2002) 1,876 (2020)	265 (2001) 414 (2020) 794 (buildout)	0 461 81
Paso Robles	0	0	6,760	0 4,000	6,760 10,760	26,900 (2002) 28,741 (2009)	6,220 (2001) 13,080 (2020) 26,780 (buildout)	540 (2,320) (16,020)
Templeton	0	0	1,652	0 250	1,652 1,902	5,134 (2002) 6,232 (2020)	968 (2001) 1,437 (2020) 2,639 (buildout)	684 465 (737)
Atascadero	0	0	5,456 [d]	0 3,000	5,456 8,456	25,516 (2002) 31,500 (2020)	6,781 (2001) 10,646 (2020 and buildout)	(1,325) (2,190)
Santa Margarita Ranch	0	0	1,360	0 200	1,360 1,560	0 unknown	0 (2001) unknown	1,360 unknown
Santa Margarita	0	0	256	0 100	256 356	1,307 (2002) 1,411 (2020)	218 (2001) 254 (2020) 293 (buildout)	38 102 63

Notes:

[a] Reclaimed water, return flows, etc. have not been calculated. [b] Includes Salinas River underflow.
[c] SLO County, Master Water Plan, March 2001.
[d] 1993 pumpage records.
[e] Column 8 subtracted from Column 6.

afy=acre feet per year; unknown=water supplies and demand would be evaluated when Specific Plan is proposed.

Table 7.2 Estimated Urban Water Supply vs. Demand by NWP Purveyor in the SLO Planning Area

Water Supplies (afy)						Water Demand		
1	2	3	4	5	6	7	8	9
NWP Purveyor by Community	**Surface Water**	**Other**	**Ground-water**	**NWP Allocation**	**Total Projected Supplies**	**Population [c]**	**Water Demand [c] (afy)**	**Surplus Water (or Deficit) [d] (afy)**
City of SLO	7,520 [a]	0	500	0 3,380	8,020 11,400	42,564 (2002) 44,880 (2009) 56,000 (buildout)	7,652 (2001) 12,196 (2020) 13,143 (buildout)	368 (796) (1,743)
CSA 22	0	0	217 [b]	890	1,107	unknown	567 [g]	540
Fiero Lane WC	0	0	- [e]	30	100	unknown	unknown	unknown
Edna Valley MWC	0	0	321 [f]	700	1,021	unknown	unknown	unknown

Notes:

[a] http://www.sloreuse.org/supplies_reuse.html
[b] SLO Area Plan, EIR Draft 1996 (existing demand).
[c] SLO County, Master Water Plan, March 2001
[d] Column 8 subtracted from Column 6.
[e] Included in CSA 22.
[f] 70 acres irrigated agriculture at 3.3 afy per acre.
[g] Data from 1997 EIR.

afy =acre feet per year; unknown=water supplies and demand would be evaluated when specific projects are proposed.

Table 7.3 Estimated Urban Water Supply vs. Demand by NWP Purveyor in the Estero Planning Area

Water Supplies (afy)						Water Demand		
1	2	3	4	5	6	7	8	9
NWP Purveyor by Community	**Surface Water**	**Other**	**Ground-water**	**NWP Allocation**	**Total Projected Supplies**	**Population [b]**	**Water Demand [b] (afy)**	**Surplus Water (or Deficit) [c] (afy)**
SLCUSD Morro Bay				55 [a]		N/A	N/A	N/A
Morro Rock MWC				30 [d]				
Lewis Pollard Trust				50 [d]				
CSA 10A				80 [d]				
Cayucos - Total	**600 [e]**	0	0	**0** **160**	**600** **760**	**3,043 (2002)** **3,197 (2020)**	**470 (2001)** **580 (2020)** **750 (buildout)**	**196** **180** **10**

Notes:

[a] NWP allocation would be wheeled through City of Morro Bay.
[b] SLO County, Master Water Plan, March 2001.
[c] Column 8 subtracted from Column 6.
[d] NWP allocation is exchange agreement with City of SLO to increase Whale Rock Reservoir allocation.
[e] 600 afy allocation from Whale Rock Reservoir for Cayucos purveyors (Ogden, 1997; 1997 EIR).

afy=acre feet per year; N/A=not applicable; unknown=water supplies and demand would be evaluated when specific projects are proposed.

However, it should be noted that there is disagreement among experts regarding the amount of additional water available to communities and whether or not it would induce population growth.

Some benefits for communities which have water supplies in excess of water demand include:

- Economic cost savings from not having to develop additional water supply projects to satisfy water demands at build-out;
- Preservation of an agricultural economy by reducing groundwater pumping competition between agriculture and municipal demand; and,
- Creation of a margin of safety in the event an assumed firm water supply is reduced or fails entirely.

7.2 Growth Inducement Analysis By Area

Impact	Impact Description	Residual Impact
G.1	Countywide, the growth inducing impacts of accepting supplemental water supplies from the NWP could be considered significant, adverse and unavoidable. However, locally impacts could vary depending on how project supplies are used by each project participant.	Class I

The availability of water has been a limiting factor to growth in the following areas: Templeton, Santa Margarita and Santa Margarita Ranch, SLO and the unincorporated SLO Airport Area (CSA 22, and Fiero Lane Water Company), Edna Valley (Edna Valley Mutual Water Company), and Cayucos. Factors which contribute to water being limited include waiting lists for "will-serve" letters, low producing wells, reliability problems with wells, overdrafted groundwater basins, and developer offset requirements, such as retrofits in exchange for approval of new construction. With NWP supplies available to the purveyor, water as a limiting factor to growth would potentially be removed in these communities. The impacts of growth are described in Area Plans and associated environmental documents, available from the local jurisdiction. Table 7.4 displays the status of General and Area Plans for participating NWP agencies in SLO County. Growth management ordinances are in effect in the SLO County, City of SLO, City of Morro Bay, and City of Atascadero. In addition, traffic fees are collected in Templeton. Also public facilities fees that would be used to fund fire, park, general government and sheriff patrols needed as a result of new development are effective in the County unincorporated areas. Table 7.5 displays constraining issues and existing mitigations for areas scheduled to receive NWP supplies.

Table 7.4 Status of General Plans for Areas Affected by the NWP

Community	Description
San Luis Obispo County	Salinas Area Plan 1996. San Luis Obispo Area Plan 1997. Estero Planning Area (Cayucos), 1988. Plan Update, Public Review Draft, 2002.
City of Paso Robles	Land Use and Circulation Elements 1991. FEIR certified August 1991.
City of Atascadero	Land Use, Open Space & Conservation Element of the General Plan 2002. FEIR on Update of Land Use, Open Space, and Conservation Elements of the General Plan, Certified 2002.
City of San Luis Obispo	General Plan Conservation and Open Space Element, 1994, Update Draft, 2002. Land Use Element and Circulation Element, 1994. Water and Wastewater Management, 1996. FEIR certified August 1994.

In every area scheduled to receive NWP, impacts to schools are listed as moderate to severe (Table 7.5). Under the new rules (Proposition 1A, 1998) local school districts must cover 50% of the cost of new school facilities. The remaining 50% will be provided by the $9.2 billion state school bond fund approved by the voters. In order to raise the 50% local share, cities and counties may levy school fees on new development at the current rate of $2.14 per square foot ($ft^2$) of residential development and $0.34 per ft^2 of commercial and industrial development. Local school boards could impose higher fees – up to 50% of land and construction cost – in order to meet their matching requirement.

The County's General Plan mandates coordination between school districts and the County Planning Department regarding the location and provision of new school facilities. Proposed school sites and capital projects are reviewed for conformity with the general plan. School capacity and enrollment are monitored through the Resource Management System. Developer fees are collected by the County on behalf of school districts impartial mitigation of school overcrowding.

The County can also help to facilitate the dedication of school sites through the adoption of specific plans for major new development interests toward the formation of community facilities districts. Such districts permit the financing of school construction from revenues included in the sale price of improved property within the district boundaries.

Countywide however, several districts have been experiencing significant school enrollment declines over the last several years, particularly in elementary schools. The decline is generally attributed to high housing costs in some parts of the county, which deter families with young children from locating there. If introduction of NWP water would reduce housing costs, this may have a secondary significant impact to schools.

Air quality is listed as RLOS II (moderately severe) in the County's Resource Management System. The County Board of Supervisors adopted the Clean Air Plan in January 2001. The Clean Air Plan has been designed to achieve the State ozone standard (for which the air district is currently in nonattainment) based on population trends forecasted in the various general and specific plans of the county and the cities within the county.

Table 7.5 Summary of Issues and Mitigations in Areas Scheduled to Receive Nacimiento Water

Area	Growth Constraining Issues (RLOS Level [a])	Existing Mitigations
San Miguel	Schools (III) Air Quality (II)	Schools Facilities Fees Clean Air Plan
Paso Robles	Schools (III) Air Quality (II)	Schools Facilities Fees Clean Air Plan
Atascadero	Schools (III) Air Quality (II)	School Facilities Fees Growth Management Ordinance, Clean Air Plan
Templeton CSD	Schools (III) Roads (I) Water Systems (II) Air Quality (II)	School Facilities Fees Traffic Fees (Res. 91-369) [d] Public Facilities Fees [b,c] Clean Air Plan
Santa Margarita	Schools (III) Air Quality (II) Water System (II) Water Supply (supply uncertainty)	Schools Facilities Fees Clean Air Plan Public Facilities Fees [b,c]
San Luis Obispo Urban	Schools (II) SLO Creek Ground Water Basin (II) Roads (III) Air Quality (II)	School Facilities Fees Growth Management Ordinance Clean Air Plan
San Luis Obispo Rural	Schools (II) Air Quality (II)	School Facilities Fees Clean Air Plan
Cayucos	Water Supply (II) Water System (II) Schools (III) Air Quality (II)	Water Moratorium on Building Permits Public Facilities Fees [b,c] School Facilities Fees Clean Air Plan
SLCUSD	Schools (II, none)	School Facilities Fees

Notes: I = Least severe; II = Moderately severe; III = Most severe.

RLOS=Recommended level of service; SLCUSD=San Luis Coastal Unified School District;

[a] Based on 2002 Annual Resource Summary Report, San Luis Obispo County Department of Building and Planning.

[b] General Fees used for construction, expansion, or improvement of fire, general government, parks and recreational facilities, and sheriff's patrols that are needed as a result of new development. Fees effective December 16, 1991.

[c] Applicable to 1) land divisions; 2) projects requiring development plans, site plans, Minor Use Permit Coastal Development Permit, and/or variance; 3) projects requiring building permits; and 4) development subject to approval of Board of Supervisors, Planning Commission, Planning Director, or Chief Building Official.

[d] Fees used for capital improvements; applicable to residential and commercial development.

If population growth is higher than the projections used in the Clean Air Plan, the attainment status of the air district could be threatened, which could have economic implications for local businesses and residents.

There are several roadways in the County with levels of severity I to III. Typically vehicle miles traveled in California increase at a greater rate than the increase in the number of households, this appears to be true in the SLO County. If the additional water supplies increased population growth rate, this may have significant impacts to traffic in the County.

Other impacts associated with community growth depend on local decisions in regards to the use of supplemental water supplies and the context in which growth would occur. The following

discussion attempts to summarize existing resource constraints by area proposed to receive supplies from the NWP. It also indicates to the extent possible, what effects additional water supplies from the proposed project may have in individual communities.

7.2.1 SLO County's Resource Management System

The Resource Management Task Force, created in the 1980s by the SLO County Board of Supervisors at the recommendation of the Board's Growth Management Advisory Committee, is charged with annually compiling and evaluating resource information for the use by the Board.

The Resource Management System (RMS) provides this function under SLO County's General Plan Framework for Planning. The RMS is primarily an informational tool which estimates capacity levels and allows decision makers to identify problems in the resource areas of water supply, sewage disposal, schools, roads, parks, and air quality. The RMS uses three levels of severity from Level of Severity I (least severe) to Level of Severity III (most severe) to identify potential and progressively more immediate resource deficiencies. For example, a recommended Level of Severity III (RLOS III) occurs when a groundwater basin is overdrafted or a road segment is operating beyond its design capacity. The section on growth inducement by area (Section 7.2) is based on the 2002 Annual Resource Summary Report and abbreviates the recommended Level of Severity as RLOS III, RLOS II, or RLOS I.

In response to the RMS, the Planning Commission and Board of Supervisors have a wide range of alternative actions available to them. The Land Use Element and Land Use Ordinance is the management structure implementing policy decisions as part of the RMS advisory process. Resource capacity studies are also used by the LAFCO during deliberations for expansion of spheres of influence or consideration of annexations to incorporated cities. The Framework for Planning from the County's General Plan summarizes the following methods to conserve resources or control growth in the unincorporated areas.

- Density limitations to limit the number of people that could potentially reside in an area.
- Building intensity or use limitations that would limit the potential scale and intensity of nonresidential.
- Target ceiling for the maximum population that could reside within resource capacities, with a limit on the corresponding number of building permits.
- Controls on the rate of new development and subdivisions to provide more lead time for resource management decisions and for funding to be programmed where it is feasible, by limiting the annual number of permits, or to sustain growth longer under a population ceiling.
- Phasing policies on the extension of services, such as sewage disposal, and on recommended annexations.
- Locating public improvements to influence the location and direction of growth where resources are identified to be more adequate.
- Scheduling public capital expenditures to influence growth into more desirable areas with resource availability.

- Acquisition or transfer of development rights to relocate previously allowable development into other areas with more adequate resources.
- Development impact fees to provide funding for necessary public facilities that will minimize the impacts of growth.
- Any growth management limitation requires that the jurisdiction enacting ordinances and other actions consider their effects upon the housing needs of the region (Government Code Sections 65863.6, 65913.2, and 66412.2).

The focus of the RMS is on data collection, problem identification and solutions, which may include identification of growth management measures capable of providing lead time to develop and implement solutions to resource capacity problems (Land Use Element, Framework for Planning). The operation of the RMS is the responsibility of the Department of Planning and Building, working with a Resource Management Task Force composed of other county departments and public agencies (such as public water agencies and community service districts). The following section details by area the findings of the RMS with additional information obtained by local service providers and public agency personnel.

7.2.2 Salinas River Planning Area

The cities of Paso Robles and Atascadero and the communities of Templeton, Santa Margarita (including Santa Margarita Ranch), and San Miguel are grouped together because they all depend on the Paso Robles Groundwater Basin and the underflow of the Salinas River or its tributaries for their water supply. Other communities drawing water from this basin include the urban areas outside the cities of Paso Robles and Atascadero (Wellsona, Garden Farms, and San Ardo, which is in Monterey County). The potential recipients of NWP are analyzed individually below for growth inducing effects according to tentative allocations.

The Paso Robles Groundwater Basin underlies approximately 790 square miles and has a total estimated storage of 26,520,000 acre feet. The basin is replenished primarily from uncontrolled runoff originating from several major and minor stream tributaries of the Salinas River, from wastewater treatment plant discharge of effluent into the Salinas River, and to a lesser extent, direct infiltration from precipitation and irrigation. The present dependable yield of the Paso Robles Groundwater basin is estimated at about 94,000 acre feet per year (SLO County Annual Resource Summary Report 2002.) Other water is drawn from the Salinas River underflow. In 2000, pumpage from the basin was approximately 82,600 afy, 69% of which was for agriculture and the remainder of which was for urban and rural domestic uses. By 2020, pumpage is expected to total 89,000 afy. Water demand at buildout is estimated at 120,000 afy, or 128% of the perennial yield. Declining water levels and water quality indicators along the Highway 46 corridor east of Paso Robles may result in revision of the Level of Severity Recommendation by SLO County.

7.2.2.1 San Miguel

The water purveyor for San Miguel is the San Miguel Community Services District (SMCSD) whose San Miguel and San Lawrence Terrace water systems form a single water system, County

Waterworks District #1. Annual water consumption is near 250 afy. SMCSD has requested 610 afy from the NWP project.

Potential Impacts
The RLOS for the San Miguel water supply is none. The Annual Resource Summary Report notes that the district's water supply can accommodate 300 new residential connections. Growth-inducing impacts for San Miguel are considered potentially significant because there is a projected water surplus which has the potential to cause San Miguel to extend or expand public water services into areas where they do not currently exist, which could in turn have secondary impacts to schools, air and traffic.

7.2.2.2 City of El Paso de los Robles

The area of water service is the City of El Paso de los Robles (Paso Robles). The City of Paso Robles administers and operates water services including wells and water storage tanks. The city limits cover an area of approximately 10,700 acres with an associated population of 25,021 (SLO 2002).

The City of Paso Robles has requested 4,000 afy of Nacimiento water as a supplementary source of water for the city. The city currently has two sources of water: the Paso Robles Groundwater Basin, and appropriative rights to Salinas River underflow waters which are permitted and regulated by the State of California under permit #5956 in the amount of 4,600 afy.

Under Raw Water Option of the proposed project, water wells operated by the City of Paso Robles would continue to pump water from existing sources supplemented by Nacimiento water discharged into earthen ponds. Under Treated Water Option of the proposed project, a water treatment plant would treat Nacimiento water and send treated water directly into the City of Paso Robles water system. According to the SLO Master Water Plan (SLO 2001), the projected water demand for the City of Paso Robles at buildout is estimated at 26,780 afy. As shown in Table 7.1, at build-out Paso Robles would have an estimated water deficit of 16,020 afy.

The city updated the Land Use and Circulation Elements of its General Plan in 1991, and is currently under revision. Because the city's adopted Land Use Element sets thresholds for development by requiring that city services, including water, be available before development is allowed to occur, the provision of NWP would allow planned development to occur if all other resources and services were available. The city's General Plan Land Use Element provides for the city potentially annexing large areas of land to provide for future build-out. If NWP water supplies are not available, the city may need to increase groundwater pumpage or pursue other additional supplemental water sources.

Potential Impacts
The RLOS for the Paso Robles Groundwater Basin is none. The Annual Resource Summary Report notes that while basin-wide overdraft is a long-range issue, intensive pumping activity may cause supply problems for specific local areas in the near term where wells are concentrated, if pumping activity consistently exceeds the capability of the aquifers to transmit subsurface water. Secondary effects of development include increased surface water runoff, increased wastewater treatment demand, increased traffic with accompanying noise, as well as

noise from construction and decline in air quality. The City currently has a small water surplus. Growth-inducing impacts for the City of Paso Robles would not be significant because there is a considerable projected water deficit which would be a factor that would slow growth in this area.

7.2.2.3 Templeton

The water purveyor for Templeton is the Templeton Community Services District (TCSD). The Templeton Community Services District service area encompasses 2,500 acres and is shown in Figure 7-1. The TCSD water system operates with ten wells, eight of which draw from the groundwater basin (safe yield = 1,050 afy) and two wells pump from the underflow of the Salinas River between October and May (appropriated right = 602 afy). TCSD estimates that its existing capacity could serve a population of 6,000, which it is forecast to reach by 2008. As of 1995, the TCSD had allocated all of its capacity and had a backlog of approximately 1,680 units from 70 requests for service, should more water capacity become available (SLO 2002). The RLOS for the Templeton water supply is II.

Templeton's projected water demand at buildout is 2,639 afy. The TCSD has requested 250 afy of NWP supplies to ensure adequate supplies for full community build-out (SLO 2001). As shown in Table 7.1, Templeton would have an estimated deficit of 737 afy at full buildout, however by the year 2020 Templeton would still have a water surplus of 465 afy to meet forecasted water demand in 2020.

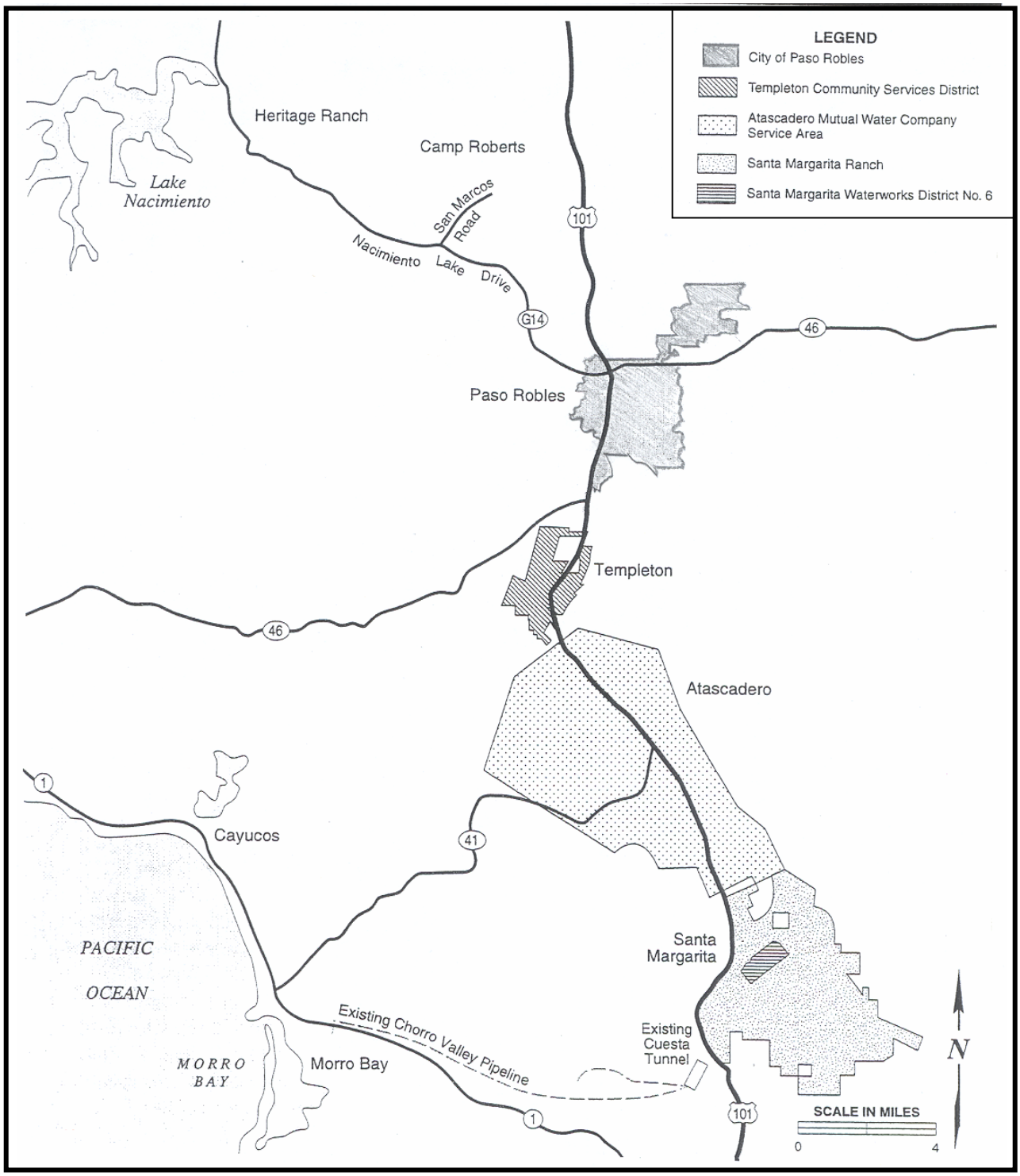
Potential Impacts
Growth-inducing impacts of the NWP for the community of Templeton are determined to be potentially significant as long as the water surplus exists (beyond 2020). After the water surplus is used, the growth-inducing impact would become insignificant.

7.2.2.4 Atascadero Mutual Water Company

The Atascadero Mutual Water Company (AMWC) service area encompasses approximately 38 square miles including the entire City of Atascadero plus a large unincorporated area of the county. The service area generally lies from the northerly city limits of Atascadero on the north, to the "River Gardens" area on the south, a distance of about ten miles. The service area stretches from the Salinas River on the east into the Santa Lucia Range, about five miles to the west (Weathers 1996). The build-out projections of AMWC's service area are established by the City of Atascadero and SLO County land use policies.

AMWC is requesting 3,000 afy of NWP to supplement existing groundwater sources. The AMWC presently relies on groundwater including underflows of the Salinas River. AMWC Master Plans have identified the need for supplemental water to provide sufficient water for full build-out. The AMWC declined to use State Water as a supplemental water source in 1993 and instead decided to rely on participation in the NWP. According to the AMWC, NWP supplies will improve reliability of the overall water system and allow for conjunctive use of water resources (Weathers 1996). At build-out a considerable water deficit is expected.

Figure 7-1 Purveyor Service Boundaries, North County



Source: Ogden, NWP 1997 EIR.

The City of Atascadero had a 2002 population of 26,982 (California State Department of Finance). It is served by the AMWC, which obtains water from the Paso Robles Groundwater Basin and the Salinas River underflows.

The projected service area population for the AMWC in 2020 is 31,500 with a projected water demand of 10,646 afy (SLO, 2001). The tentative NWP allocation for the AMWC is 3,000 afy. As shown in Table 7.1, the AMWC would have an estimated deficit of 2,190 afy to meet forecasted water demand in 2020 and beyond.

The City is pursuing water conservation efforts through expansion of reclaimed water use, ensuring that adequate supplies are available prior to authorizing any new development and compliance with SB-221.

Potential Impacts
The General Plan update for Atascadero was adopted by the City Council in June, 2002. The growth rate for Atascadero is limited to 1.25% per year in the General Plan. The growth rate in combination with the water deficit that could develop would be an impediment to growth in this area. Even with the NWP allocation there would still be a water deficit. Therefore, the additional NWP water supplies would not lead to growth inducement; thus potential growth-related impacts would be less than significant

7.2.2.5 Santa Margarita

The community of Santa Margarita has a population of 1,175 and is served by County Waterworks District 6 (CWD 6). CWD 6 draws water from existing shallow wells drawing either on underflow from Santa Margarita Creek or groundwater resources. In 1991, a deep well was drilled that taps the deeper Santa Margarita Sandstone Formation.

The proposed NWP allocation for Santa Margarita is 100 afy. The projected population of the community of Santa Margarita at build-out is 1,505 with an associated estimated water demand of 293 afy. As shown in Table 7.1, Santa Margarita would have an estimated surplus of 63 afy to meet forecasted water demand at buildout.

The groundwater source for Santa Margarita (the consolidated Santa Margarita Sandstone Formation) has not yet been studied to the extent necessary to provide an accurate assessment of its dependable yield. Currently the water supply for Santa Margarita has a RLOS II (SLO 2002).

Potential Impacts
Potential growth inducing impacts could be significant since with the project the area would have a water surplus that could stimulate growth with secondary impacts to traffic, air quality and schools.

7.2.2.6 Santa Margarita Ranch Mutual Waterworks

The Santa Margarita Ranch consists of 13,562 acres and encompasses the community of Santa Margarita. Refer to Figure 7-1 for a general display of the boundaries of the Santa Margarita Ranch, located between Atascadero and Santa Margarita. The Santa Margarita Ranch Mutual

Waterworks has requested 200 afy of NWP supplies to provide a dependable supply of water for future uses of the property. Development of the Santa Margarita Ranch was noted as a major planning issue in the Salinas River Area Plan. Development plans included limiting development to approximately 1,800 acres and allowing a maximum of 550 residential units plus non-residential uses such as a golf course, guest ranch and lodge, community swimming pool, cemetery expansion, and sewage treatment plant. The goal of the plan was to preserve agricultural lands and environmentally sensitive areas as open space (Salinas Area Plan).

Potential Impacts

Growth-inducing effects of the NWP on the Santa Margarita Ranch are determined to be potentially significant because it would cause the expansion of public water services into areas not previously served. In anticipation of supplemental water availability, there is the potential for an increased rate of urban development. Once the availability of additional water is assured, developers may be more inclined to invest or speculate on future development scenarios.

Development plans which increase population would be subject to CEQA and would require an analysis of the project's effects on local services. However since school facilities would be significantly affected by future residential growth and identified funding sources may be insufficient to fully mitigate new growth, the secondary or indirect impact of growth on school overcrowding may be considered potentially significant and unavoidable.

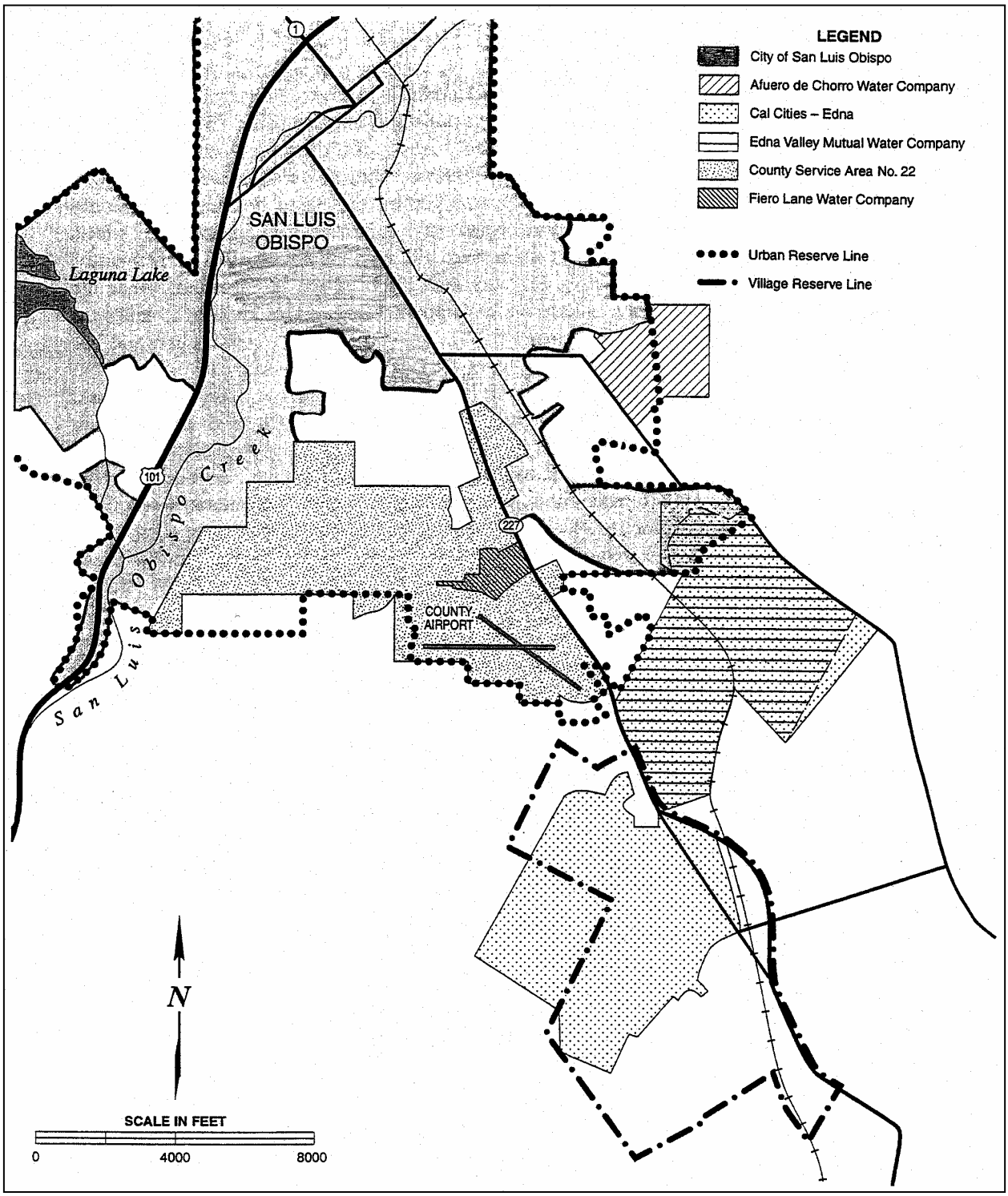
7.2.3 San Luis Obispo Area Plan

The SLO Area Plan encompasses the unincorporated area around the City of SLO and surrounding agricultural and rural lands (Figure 7-2). The incorporated City of SLO is responsible for land use planning and providing public services to appropriate areas within its boundaries. Outside the city limits, the urban reserve line (URL) defines the growth area that is planned for urban services within a 20-year time frame (2022), depending upon resource development and service expansion. For all areas outside of city limit boundaries, land use planning is the county's responsibility.

Groundwater supplies within the SLO Planning Area include SLO Creek, Pismo Creek, and Chorro Creek/Morro Water Basins. Of these basins, significant amounts of groundwater are drawn from the SLO Creek groundwater basin and Pismo Creek groundwater basin. The following water purveyors participating in the NWP are all located in the vicinity of the SLO Creek Groundwater Basin:

- City of SLO
- CSA 22
- Fiero Lane Water Company
- Edna Valley Mutual Water Company
- Camp San Luis Obispo

Figure 7-2 Purveyor Service Boundaries, South County



Source: Ogden, NWP 1997 EIR.

SLO Creek Groundwater Basin

The Department of Water Resources (DWR) estimates the SLO Creek basin's maximum safe yield at 2,250 afy. The City of San Luis Obispo's current policy identifies extractions from this basin of 500 afy as a safe annual yield, and is currently totaling approximately 210 afy (2002). While the existing safe yield of the basin is currently under review, this basin is considered to be in a state of overdraft for planning purposes (SLO 2002). The groundwater basin under the city can be depleted quickly by pumping, but it recharges quickly with normal or above rainfall. The City is studying how to get more from the groundwater basin without adverse effects or contradicting General Plan policies on agriculture and wildlife (SLO 2001). Engineering and environmental studies are being conducted to potentially increase the City's potential groundwater yield to approximately 1,000 afy.

The City is pursuing several other methods to augment use of the groundwater: using highly treated water for irrigation - the treatment plant is ready to provide this source of non-potable water. Concerning using part of the effluent for other than stream flow, the Council has certified the environmental impact report and received needed approvals from State agencies. The City needs to approve detailed plans for construction of the pumps and pipes that would distribute this reclaimed water. The City is pursuing a grant and a low-interest loan to help pay for this system. Major new development areas are proposed to include dual piping systems from the start.

Water Resources Management Section and Water and Wastewater Element of the City's General Plan outline several policies that target water conservation and management. The water resources mitigation measure WR-2 contained in the EIR for the SLO Area Plan states that until a regional report concludes that the San Luis Obispo Creek Groundwater Basin is not in a state of overdraft, new development must demonstrate the zero net consumptive water use can be achieved and that future uses would be limited to non-water intensive uses, (SLO Area Plan EIR 1996).

The EIR concludes that because the San Luis Obispo groundwater basin is the primary water source in the planning area, any increase in water consumption without the development of supplemental water supplies would increase the overdraft of the basin which would be considered a significant adverse impact to water resources associated with implementation of the Area Plan. However, in order to make a meaningful reduction in overdrafting, commitments are needed from water providers that they would stop or reduce groundwater withdrawals once they obtain supplemental water supplies. Otherwise, supplemental water supplies would not replace groundwater extraction, but would serve more development and not significantly improve the existing deficit situation (SLO County General Plan, Framework for Planning).

The SLO Creek Groundwater Basin has a RLOS for Water Supply of II. An RLOS II indicates that a seven year lead time is necessary to develop supplementary water for delivery to users.

Pismo Creek Ground Water Basin

The Pismo Creek Ground Water Basin is located in the southeastern portion of the planning area, and includes the Pismo Creek drainage system. Safe yield of this basin is estimated at 2,250 afy (SLO Area Plan EIR 1996). The Pismo Creek groundwater basin underlies the southeastern three-fourths of the Edna Valley (SLO Area Plan, 1996).

7.2.3.1 City of San Luis Obispo

The City of SLO provides water service to residents, businesses, and institutions within city limits. The Municipal Code of the City of SLO prohibits the provision of water service to anyone outside the city limits, with a few exceptions. These exceptions include the County Airport, since it is seen as an essential service benefiting the city. Another exception is a small number of residents and cattle troughs along the Highway 101 corridor just north of town. The city's requirement to serve water to these properties is in accordance with agreements that date back to the early 1900's. Other exceptions exist where individual properties were provided with service prior to adoption of the ordinance (Ogden 1997).

The City of SLO is requesting 3,380 afy from NWP supplies. This amount is based on San Luis Obispo's adopted General Plan. It includes 880 afy for new development over the next 30 years, 500 afy to compensate for projected yield reductions at Santa Margarita Lake (Salinas Reservoir) and Whale Rock Reservoir due to siltation over that time. (The City voted to eliminate the "reliability reserve" from its calculation of future water demand, thus reducing the city's requirement for additional supplies to serve its buildout population of 56,000.) The city's requested amount includes the city's estimated requirement for build-out of the Airport Area, which is 481 afy. The city has initiated annexation of the Airport Area. If the Annexation is completed, the city would obtain the necessary water supply from the NWP amount requested for County Service Area 22 (CSA 22). The boundaries of CSA 22 nearly coincide with the Airport Area. CSA 22 has requested 890 afy, which exceeds the city's estimate of water needed for that area. If the Airport Area annexation is approved before contracts for NWP are signed, the difference between CSA 22's water request and the city's estimate of Airport Area water need is likely to go to a countywide pool of unallocated supply.

The City of SLO needs a total of 9,596 afy for existing development, new development allowed by the General Plan (including the Airport Area), and siltation offset. Currently, San Luis Obispo obtains water from Santa Margarita Lake and Whale Rock Reservoir, which have a coordinated yield of 7,235 afy, and from wells located in the San Luis Obispo groundwater basin, which has a reliable yield set by policy at 500 afy. The combined safe yield for the city from these sources is 7,735 afy. The difference between the total requirement of 9,596 afy and the current yield of 7,735 afy is 1,861 afy.

The city is pursuing the Santa Margarita Lake Expansion Project. If that project proceeds, the added safe annual yield would be 1,650 afy, and the city is expected to reduce its NWP subscription by the same amount. The city is also pursuing the Water Reuse Project, which would provide reclaimed water for non-potable uses. Reclaimed water may provide up to 1,200 afy. The city is expected to reduce its NWP subscription based on the best available estimate of reclaimed water usage at the time it must finalize its NWP contract. If the city obtains the other sources and does not reduce its NWP request, it would have as much as 2,850 afy beyond its planned total water supply needs.

Potential Impacts

The City of SLO's projected population at build-out in about 30 years is 54,900 to 57,700. The low number does not include current or potential residents of the Cal Poly campus which is within the urban reserve line but outside the city limits. The high number includes campus residents. The city has adopted a population capacity of 56,000 for water planning. This number

may allow for Land Use Element amendments such as the recent Prefumo Canyon annexation, which were not specifically covered in the most recent update of the Water and Wastewater Management Element of the city's General Plan.

Obtaining NWP supply will enable additional development in San Luis Obispo. The additional development is expected to conform with the city's General Plan, which largely determines the type, intensity, location, and rate of development. Nearly all of the additional development will be within the city's adopted urban reserve. The city's General Plan also anticipates some minor expansions of the urban reserve, mostly for projects that include permanent open space protection.

There is the potential for water availability, particularly a large amount in excess of identified needs, to prompt amendments to the General Plan, thereby allowing more development or faster development than currently allowed. Evaluating the potential for such amendments is speculative. The city has a history of considering potential changes to its plan and growth regulations, approving some and rejecting others. Actual or proposed voter challenges have caused reconsideration or reversal of some proposed changes.

The potential environmental impacts of full development under San Luis Obispo's General Plan were evaluated in the Environmental Impact Report for the 1994 Land Use and Circulation Elements Update (available for review at the City of San Luis Obispo Community Development Department, 990 Palm Street, San Luis Obispo, CA 93401-3249). When the city adopted the updates and certified the EIR, it acknowledged that the planned growth would have significant, adverse impacts. These impacts would be: conversion of prime agricultural land to urban use; increased water usage; unacceptable levels of service for traffic on most arterial streets; change from rural to urban character; the number of workers increasing faster than the number of residents; and certain localized impacts due mostly to street widening or extension projects. Schools would also be further impacted.

7.2.3.2 Camp San Luis Obispo

Camp SLO is currently the home of the 223rd Infantry Regiment and several other training and logistics activities of the California National Guard. CSLO has requested up to 200 afy. Their primary need for supplemental water is to reliably meet forecasted water demand during peak training periods. Increased activity in federal, state, and county programs hosted at Camp SLO has resulted in an average daily population of over 1,300. This represents a doubling over the past seven years and is expected to increase in response to our nation's increased emphasis on military preparedness.

Potential Impacts

The increase in Camp activity and corresponding population would generate more local and regional traffic. Based on recent rates of traffic increase, the number of trips tends to increase proportionally for each additional person. Potential impacts would mainly be limited to Highway 1, but would be considered less than significant.

7.2.3.3 County Service Area (CSA) 22

CSA 22 encompasses 1,700 acres located immediately southeast of the City of SLO. It includes the 300 acre SLO Airport, presently served with water and sewer services by the City of SLO. The portion of the urban reserve around the city, that lies within the Airport Area and surrounding properties, is commonly referred to as the Airport Area as shown in Figure 7-2.

CSA 22 has requested 890 afy of NWP to supplement existing groundwater supplies to meet general plan build-out. Under the proposed SLO Area Plan, the Airport Area would experience the largest increase in new commercial and industrial land use within the planning area. CSA 22 is under Resource Management Level II requiring additional water resources to supplement current needs and meet future demand. The EIR for the SLO Area Plan states that it is anticipated that the city will annex the Airport Area prior to build-out, and supply this water demand via extension of its water delivery system.

Potential Impacts

The increase in water supplies to this area would result in increased development and corresponding population and would generate more local and regional traffic. Based on recent rates of traffic increase, the number of trips tend to increase proportionally for each additional person. The following streets would be most affected by development: Madonna Road, Los Osos Valley Road, Tank Farm Road, Broad Street, Orcutt Road, Johnson Avenue, and Highway 101. The areas most likely to undergo direct growth would be: the Dalidio Specific plan area, the Airport Specific Plan area, the Margarita area, the Irish Hills area, and the Downtown Planning area.

Tank Farm Road is a major roadway that connects east and west parts of San Luis Obispo City and is a shortcut between highways 101 and 227. It is currently at RLOS III. The Circulation Element of the SLO Area Plan contains recommendation for improvements of Tank Farm and Prado Road. Those improvements include widening Tank Farm Road to four lanes with continuous left-turn lane, providing bike lanes, and a landscaped parkway. The Santa Fe Road intersection construction is expected to take place in 2005. Completion of improvements is complicated by the possibility of the area being annexed to the City of SLO. An Airport Area Specific Plan will contain recommendations for road improvements as phased development occurs in the Airport Area.

Development within CSA 22 is constrained due to its reliance on groundwater resources from the presently overdrafted San Luis Obispo groundwater basin to serve proposed projects. Because approval of supplemental water supplies from the NWP would remove an existing constraint to growth, potentially significant growth-inducing impacts are highly likely. Estimates of future water demand could vary depending on the types of land uses approved and whether the City of San Luis Obispo accepts the Airport Area for annexation. The amount of water available would have a direct influence on the amount and type of urban development which could be approved. Approval of NWP supplies while allowing private water companies within CSA 22 to operate private water systems would potentially increase the amount of water available for development while also adversely affecting the groundwater basin.

7.2.3.4 Fiero Lane Water Company

The Fiero Lane Water Company is made up of 13 parcels (approximately 40 acres) located on Fiero Lane (a cul de sac) (Figure 7-2). The service area abuts the SLO Airport on the south, Highway 227 (Broad Street) to the east, and Santa Fe Road on the west. The Fiero Lane Water Company serves only commercial service/business park developments. The Fiero Lane Water Company presently draws from the SLO groundwater basin, which is considered to be in overdraft. The Fiero Lane Water Company has an existing water system with wells and storage tanks, however the existing wells are low producers. The applicant requests 30 afy of NWP supplies to ensure adequate water for continued build-out under the General Plan and to meet California Department of Forestry (CDF) requests to increase their system size to meet fire flow requirements (Ogden, 1997).

Potential Impacts
Fiero Lane Water Company's request of 30 afy would translate into 250,000 square feet of industrial square footage using a rate of 0.12 afy per 1000 gross square feet of industrial development (SLO Area Plan EIR). Although anticipated under the County's General Plan, supplemental water supplies from the NWP would remove an existing constraint to growth and would have potentially significant growth-inducing impacts. Resources and services affected would be similar to those discussed in the City of SLO and CSA 22 discussions.

7.2.3.5 Edna Valley Mutual Water Company (MWC)

The water service area for Edna Valley MWC (Figure 7-2) is regulated by the Public Utilities Commission (PUC). The water source for the area is the groundwater basin underlying the Edna Valley. In a report prepared by Boyle Engineers in 1991, the Edna Valley Contiguous Groundwater Water Terrace is described as contributing groundwater flow to the City of SLO (Boyle 1991). It is not known whether the Edna Valley area is in overdraft, but the area is currently oversubscribed. The RLOS Level for Los Ranchos/Edna area for water supply is II. No RLOS has been identified for the water distribution system.

The Edna Valley Mutual Water Company (MWC) serves the La Lomita Ranch which consists of 705 acres located approximately one-half mile south of the entrance to the SLO Airport on Highway 227 (Figure 7-2). The existing land use designation is agriculture. The 705 acre ranch extends west of Highway 227 to Orcutt Road approximately 1,000 feet south of the city limits. The property is bisected by SPRR tracks. East of the SPRR tracks, where the property fronts Orcutt Road, the applicant intends to keep the three existing parcels in agricultural uses. West of the SPRR track, a General Plan Amendment for the property abutting Highway 227 may be submitted at a future date. This plan may include a 27 hole golf course with hotel, twenty unit residential subdivision, and agricultural uses such as a turf farm and vineyards (Ogden, 1997).

The Edna Valley MWC has requested 700 afy of NWP supplies to provide potable water to meet the needs of future development. No water service infrastructure (water lines, tanks, or reservoirs) exists onsite to accommodate this water (Ogden, 1997). Five existing irrigation wells supply water to an estimated 70 acres of farmland. These wells draw from the Edna Valley groundwater basin. The applicant would receive treated water through the Cal Cities pipeline to be installed at the intersection of Highway 227 and Buckley Road.

Potential Impacts
The 700 afy requested by the Edna Valley MWC is predicated on a Board of Supervisors authorization for processing a General Plan amendment and Specific Plan to remove a portion of La Lomita Ranch from agricultural designations. The intent to receive water independently indicates that the provision of NWP supplies has the potential for growth-inducement for the Edna Valley MWC.

As of 2002, no specific plan document detailing the types of land uses proposed within the Edna Valley MWC (La Lomita Ranch) has been submitted to the county for review under CEQA. Therefore the potential water supply situation cannot be accurately forecasted. In anticipation of supplemental water availability, there is the potential for developers to invest or speculate on future development scenarios, which may be inconsistent with the county's adopted Area Plan.

7.2.4 Estero Area Plan

The Estero Area Plan is the general plan document for Los Osos, Cayucos and rural coastal areas. The Estero and SLO planning areas have a number of groundwater basins located within their boundaries. The Estero planning area has seven groundwater basins within its boundaries, with the Chorro basin partially located in the Estero planning area and partially in the SLO planning area.

7.2.4.1 San Luis Coastal Unified School District (Morro Bay)

The San Luis Coastal Unified School District (SLCUSD) presently obtains its water supply from the City of Morro Bay Public Works Department. The SLCUSD has requested 55 afy of NWP supplies to serve the following three schools located in the City of Morro Bay:

- Del Mar Elementary School
- 501 Sequoia
- Morro Bay High School
- 235 Atascadero Road
- Morro Elementary School
- 1130 Napa Avenue

The objective of the SLCUSD is to supply three schools with a water supply which costs significantly less than city water rates. This water cost reduction will allow the SLCUSD to apply enough turf irrigation to prevent student injuries and maintain a high quality outdoor education program (Parker 1996).

The SLCUSD has a pending request for 45 afy of SWP which could be wheeled through the City of Morro Bay as an alternative water supply source. SLCUSD is requesting NWP water because of its presumed lower cost; however, according to project engineers, the per acre-foot cost of water from the NWP may not actually be lower than State Water for the SLCUSD (Ferrara 1996).

Potential Impacts
No growth-inducing impacts are determined to occur as a consequence of receiving lower cost water for irrigation of turf areas at existing schools. No agreements between the City of Morro Bay and the SLCUSD have been approved which would allow water to be wheeled through the City of Morro Bay (Parker 1997).

7.2.4.2 Cayucos

The community of Cayucos receives water service from three local purveyors: Morro Rock Mutual Water Company, Paso Robles Beach Water Association, and County Waterworks District Number 8. Cayucos' main water source is Whale Rock Reservoir. Water is released from the reservoir to recharge the community's well-field, which is located along Old Creek, just downstream from the dam. Estimated existing water consumption for Cayucos is 472 afy, which is within its safe yield share from this reservoir. An exchange agreement between the three water purveyors and the City of SLO for NWP water in exchange for Whale Rock water is proposed.

7.2.4.3 CSA 10A

CSA 10A encompasses both the Morro Rock Mutual Water Company and the Paso Robles Beach Water Company. CSA 10A has requested 80 afy of NWP supplies.

CSA 10A is the largest of the Cayucos purveyors, encompassing both Morro Rock and Paso Robles Beach Water Companies. There is a water treatment plant with sufficient capacity to treat water from Whale Rock Reservoir through the proposed exchange agreement. Presently, there are three 400 gallon per minute (gpm) package treatment units with a total approved capacity of 1,200 gpm or 1.5 million gallons per day (mgd). The facility was designed to accommodate a fourth package unit should it be needed.

Morro Rock Mutual Water Company
The Morro Rock MWC consists of approximately 108 acres and is bounded by Cayucos Creek and Highway 1 to the north and east, and Ocean Avenue to the west. It has requested 30 afy of NWP supplies to be used to satisfy build-out in the Morro Rock Mutual Water Company service area (Brett 1996).

Lewis Pollard Trust - Cayucos
The Lewis Pollard Trust consists of five parcels in Cayucos including an 84 unit travel trailer park and requests delivery of 50 AFY of Nacimiento water. A wheeling agreement with an adjacent water retailer would be needed to augment supplies at the trailer park.

Potential Impacts
Water is a constraining factor to the ultimate buildout of Cayucos under the Estero Area Plan. Although water supplies including supplemental water from the NWP would not be in excess of forecasted water demand, population growth would result in secondary or indirect impacts on school facilities in Cayucos. Therefore, potential impacts associated with increased water supplies would be considered significant.

7.3 Countywide Mitigation

The growth inducing impacts of accepting supplemental water supplies from the NWP could be considered significant and adverse depending on how project supplies are used. Where water project supplies are in excess of water demand and are not used to reduce projected groundwater overdraft, then the potential growth-inducing impacts become more adverse and significant.

Approval of the NWP could result in additional growth or rate of growth in areas now subject to water resource constraints. Recently approved/updated General Plans have acknowledged that future growth will have significant, cumulative impacts. In areas where forecasted water supplies exceed future demand, NWP water could be used to foster growth outside existing service area boundaries. Private water companies in areas located outside of Urban Service Lines (USL) or in agriculturally-designated areas would be able to prove a source of water in applying for general plan amendments to change the land use designations to accommodate projects with residential or other uses.

Other impacts requiring mitigation (i.e. schools, roads, air quality), which would result as a consequence of receiving supplemental water supplies are considered secondary or indirect impacts, and depend on how local jurisdictions manage growth. In areas outside the jurisdiction of the San Luis Obispo Board of Supervisors (e.g. incorporated cities) these mitigation measures may not be enforceable. However, to minimize potential growth inducement through the use of both existing ground water supplies and Nacimiento water, the following measure has been included:

GR-1 *The governing body of each water purveyor accepting NWP water shall include in their water management plans and programs, the goal of reducing groundwater basin overdraft in the long-term, with measurable objectives to accomplish this goal.*

7.4 Residual Impacts

Since school facilities would be significantly affected by future residential growth and identified funding sources may be insufficient to fully mitigate new growth, this secondary or indirect impact of growth is considered potentially significant and unavoidable.

Table 7.6 Summary of Growth-Inducing Impacts

Phase/Alternative	Impacts
Proposed Project – Treated Water Co-equal Alternative	Class I – Significant and Unavoidable.
Proposed Project – Raw Water Co-equal Alternative	Class I – Significant and Unavoidable
1997 EIR Alternative	Class I – Significant and Unavoidable
Phased Raw and Treated Water Alternative	Class I – Significant and Unavoidable
No Project/No Action Alternative	No growth-inducing impacts. Instead, continued pressure on existing groundwater supplies would continue with potential future overdraft.